



**DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL**

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Date: May 23, 2019

Attachment 26

To: State Board of Fire Services

From: Andrew Henning, Chief of State Fire Training

SUBJECT/AGENDA ACTION ITEM:
SFT Fee Adjustment

Recommended Actions:
Information Only

Background Information:

CAL FIRE Office of the State Fire Marshal (OSFM) State Fire Training (SFT) Program plays a critical role in the relevancy and professionalism of the California fire service. SFT consists of two main program elements: the California Fire Service Training and Education System (CFSTES) and the Fire Service Training and Education Program (FSTEP).

In 1978, the California Department of Education transferred the responsibility of CFSTES to the OSFM. When the program was transferred to OSFM, the legislative intent for establishing the California Fire and Arson Training fund (CFAT), was to provide a self-supporting training infrastructure for California's fire service. Due to this financial structure, SFT is a self-funded program, that is paid for by participant's fees. Fees are collected for services provided which include: course diplomas, applying for certification, taking certification exams, ALA/ARTP accreditations, etc. The most recent fee adjustments were made in 2008 and 1995.

It has been eleven years since SFT has updated the program fees. Since 2008 our operating costs have increased. This is due to:

- Three negotiated labor contracts with salary and benefit increases
- Increase in operating costs (office supplies, rent, etc.)
- CFSTES courses have been updated (except for Haz Mat)
- SFT is currently updating FSTEP courses
- Implementation of ACADIS, the new Records Management System (RMS) – SFT User Portal
- Increases in staffing

"The Department of Forestry and Fire Protection serves and safeguards the people and protects the property and resources of California."

This new fee increase is critical to:

- Fund the four Deputy State Fire Marshal III (Specialist) positions which will provide minimum staffing to conduct quality control of instructors, curriculum development, and ALA/ARTP/Rescue Systems site assessments
- Ensure adequate staffing positions and classifications for business operations
- Ensure curriculum is current and relevant
- Expand stakeholder engagement
- Expansion of IFSAC and Pro Board accreditation to additional certification tracks

Without this fee increase:

- SFT will have limited staffing and resources for curriculum development
- SFT will have limited staffing and resources for quality control
- Have multiple projects with higher priorities
- Unfunded positions
- Increased dependence on Retired Annuitants

Analysis/Summary of Issue:

In 2017, SFT partnered with California State University, Sacramento for a Service Costing Project. Two professors of accountancy developed an “activity-based costing” (ABC) system. The ABC system (Excel spreadsheet) was designed to allocate costs incurred by SFT based on activities that generate those costs. The project's primary goal was to propose an updated fee schedule based on services using an evidence-based approach. The project used an averaged 5-year period of SFT's operating costs, and a three-year period of SFT's projected revenue.

As directed by STEAC, SFT met with the ad-hoc group of STEAC members in September 2018 to review the proposed ABC system. The group requested modifications to the format of data. The revised system was brought back to the group in February 2019. They approved the concept of the ABC System and have recommended it to be presented to STEAC to establish the final fee adjustments. At the April 2019 STEAC meeting, the committee reviewed the work by SFT Staff and the ad-hoc group.

Once the fee structure is approved by STEAC and State Board of Fire Services, it will then begin the Office of Administrative Law rulemaking process. This is an open process that includes public input. It is anticipated that the new fee will be implemented tentatively on July 1, 2020.